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STEPHEN R. MILLER
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January 30, 2007

MEMORANDUM

To: Representative Schneider

From: Joseph T. Kreye, Sr. Legislative Attorney, (608) 266-2263

Subject: Technical Memorandum to **2007 AB-0003** (LRB 07-0732/1) by **DOR**

We received the attached technical memorandum relating to your bill. This copy is for your information and your file. If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

MEMORANDUM

January 22, 2007

TO: Joseph Kreye
Legislative Reference Bureau

FROM: Rebecca Boldt
Department of Revenue

SUBJECT: Technical Memorandum on: LRB – 0732/1 Film Production Services and Film Production Company Investment Credits Effective Date

While the technical comments included below are not directly related to the statutory changes contained in the bill, moving the effective date up by one year will exacerbate the technical problems described in this memo.

For individuals, sec. 71.10(4), relating to the order of claiming the credits, properly includes the nonrefundable credits under (1) and (3) with the other nonrefundable credits and includes the refundable credit under (2) with the other refundable credits. However, the order for claiming the credits in secs. 71.30(3) and 71.49(1) for corporations and insurance companies, respectively, differs from the treatment of the credits for individuals. The refundable credit is not separated from the nonrefundable credits and, unlike for individuals, the film production services credit must be claimed before the investment credit. As a result, it is possible that a corporation would not be able to claim the investment credit. This problem can be remedied as follows:

(1) Renumber sec. 71.30(3)(epp) to 71.30(3)(eps) and amend sec. 71.30(3)(eps) as renumbered to read as follows:

71.30(3)(eps) Film production services credit under s. 71.28 (5f) (b) 1. and 3.

(2) Amend sec. 71.30(3)(f) to include the following language:

“film production services credit under s. 71.28 (5f) (b) 2.,”

(3) Renumber sec. 71.49(1)(epp) to 71.49(1)(eps) and amend sec. 71.49(1)(eps) as renumbered to read as follows:

71.49(1)(eps) Film production services credit under s. 71.47 (5f) (b) 1. and 3.

(4) Amend sec. 71.49(1)(f) to include the following language:

“film production services credit under s. 71.47 (5f) (b) 2.,”

In addition, if this bill is passed after July 31, 2007, it could delay the printing of the 2007 tax forms.

If you have any questions regarding this technical memorandum, please contact Michael Oakleaf at 261-5173 or via email at Michael.oakleaf@dor.state.wi.us.

cc: Rep. Schneider